

year period beginning 5 years before the loss of United States citizenship for the 10-year period referred to therein.

"(F) SECRETARY MAY REQUIRE RECOGNITION OF GAIN

IN CERTAIN CASES.—To the extent provided in regulations

prescribed by the Secretary—

"(i) the removal of appreciated tangible personal

property from the United States; and

"(ii) any other occurrence which (without recognition of gain) results in a change in the source of the income or gain from property from sources within the United States to sources outside the United States. shall be treated as an exchange to which this paragraph applies.

"(3) SUBSTANTIAL DIMINISHING OF RISKS OF OWNERSHIP.—

For purposes of determining whether this section applies to any gain on the sale or exchange of any property, the running of the 10-year period described in subsection (a) shall be suspended for any period during which the individual's risk of loss with respect to the property is substantially diminished by:

"(A) the holding of a put with respect to such property (or similar property).

"(B) the holding by another person of a right to acquire the property; or

"(C) a short sale or any other transaction.

"(4) TREATMENT OF PROPERTY CONTRIBUTED TO CONTROLLED FOREIGN CORPORATIONS.—

"(A) IN GENERAL.—If—

"(i) an individual losing United States citizenship contributes property to any corporation which, at the time of the contribution, is described in subparagraph (B); and

"(ii) income derived from such property was from sources within the United States (or, if no income was so derived, would have been from such sources).

during the 10-year period referred to in subsection (a).

any income or gain on such property (or any other property which has a basis determined in whole or part by reference to such property) received or accrued by the corporation

shall be treated as received or accrued directly by such individual and not by such corporation. The preceding sentence shall not apply to the extent the property has been treated under subparagraph (C) as having been sold by such corporation.

"(B) CORPORATION DESCRIBED.—A corporation is described in this subparagraph with respect

to an individual  
if. were such individual a United States  
citizen—

"(i) such corporation would be a controlled foreign  
corporation (as defined in 957). and

"(ii) such individual would be a United States  
shareholder (as defined in section 951(b)) with respect  
to such corporation.

"(C) DISPOSITION OF STOCK IN CORPORATION. —

If stock  
in the corporation referred to in subparagraph  
(A) (or any  
other stock which has a basis determined in  
whole or  
part by reference to such stock) is disposed of  
during the  
10-year period referred to in subsection (a)  
and while the